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### The Two Federal Circuits

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#### Repository Citation

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## THE TWO FEDERAL CIRCUITS

R. Polk Wagner\*

*This Article explores the institutional characteristics of the U.S. Court of Appeals for the Federal Circuit and places the court's role in context. The most important institutional question facing the court today involves choosing between two approaches to implementing its special role in the patent system—in one, the court acts as a “decider” of cases, and in the other, it acts as a “manager” of the jurisprudence. It is the choice between these two roles—decisional and managerial—that largely defines the work of the Federal Circuit, and many (if not all) of the jurisprudential debates in patent law can be traced to an ongoing struggle between and among the judges of the court with respect to these roles. Exploring this role duality is necessary to a complete understanding of the Federal Circuit as an institution.*

### I. INTRODUCTION

The U.S. Court of Appeals for the Federal Circuit has always occupied a unique position in the institutional landscape of our legal system—a specialized court with a nonetheless remarkable breadth of jurisdiction, a relatively unknown court with its hand on the levers of America's innovation economy.<sup>1</sup> And it has of course always been controversial.<sup>2</sup>

Beyond the debates about the court's performance, the story of the Federal Circuit is one primarily of institutional design choices.

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1. See generally FRED WARSHOFKY, *THE PATENT WARS: THE BATTLE TO OWN THE WORLD'S TECHNOLOGY* (1994) (noting the critical nature of patents in economic development).

2. See *Court of Appeals for the Federal Circuit-1981: Hearing on H.R. 2405 Before the Subcomm. on Courts, Civil Liberties and the Admin. of Justice of the H. Comm. on the Judiciary*, 97th Cong. 69 (1981) (testimony of James W. Geriak) (“[I]t would be a very, very substantial error for the subcommittee to conclude that all patent lawyers are agreed upon the desirability of the . . . Federal Circuit legislation.”); see, e.g., Rochelle Cooper Dreyfuss, *The Federal Circuit: A Case Study in Specialized Courts*, 64 N.Y.U. L. REV. 1 (1989); Craig Allen Nard & John F. Duffy, *Rethinking Patent Law's Uniformity Principle*, 101 NW. L. REV. 1619 (2007) (arguing for more decentralization in patent law's judicial architecture); R. Polk Wagner & Lee Petherbridge, *Is the Federal Circuit Succeeding? An Empirical Assessment of Judicial Performance*, 152 U. PENN. L. REV. 1105 (2004).

Has this “sustained experiment in specialization” (to use Professor Rochelle Cooper Dreyfuss’s apt description)<sup>3</sup> yielded a jurisprudence that is clearer, more coherent, and more predictable than otherwise? As Professor Lee Petherbridge and I asked five years ago:

This mandate gives rise to the obvious (yet surprisingly ephemeral) question concerning the Federal Circuit’s role in the patent system: *is it succeeding?* Has the mandate been fulfilled? Has this grand experiment in allocating judicial authority resulted in clearer, more consistent, more coherent rules surrounding patents?<sup>4</sup>

I (and others) have offered some tentative observations on this subject and have offered a variety of suggestions for reform. But this outstanding conference, I think, allows the opportunity to step back and consider the Federal Circuit not merely on the basis of its output—that is, its performance in patent law—but instead on the basis of its institutional characteristics and how they in turn impact the output. Put another way, what is it about the Federal Circuit as an institution that can help us to understand and explain the patterns that we see in its work? This is important: any serious analysis of the Federal Circuit’s role in the patent system (and thus the institutional design of the nation’s innovation policy) should understand not only what the Federal Circuit does but what it is.

To no small degree, this Article revises and expands upon Dreyfuss’s earlier, seminal work.<sup>5</sup> But my take is slightly different—my sense of the last twenty years is that the most important moving part is not so much the specialization of the court along subject matter lines but instead the emergence of two distinct understandings of the court’s role in patent law, and how that role should be reflected in its decisions. It is only by understanding this conflict that we can place the court’s institutional role in context.

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3. Dreyfuss, *supra* note 2, at 3.

4. Wagner & Petherbridge, *supra* note 2, at 1108; *see* S. REP. NO. 97-275, at 4–6 (1981), *reprinted in* 1982 U.S.C.C.A.N. 11, 14–16 (stating that the creation of a centralized court to hear suits related to patents will provide doctrinal stability in the field of patent law, which will decrease unnecessary uncertainties in the patent system and thereby increase innovation); COMM’N ON REVISION OF THE FED. COURT APPELLATE SYS., STRUCTURE AND INTERNAL PROCEDURES: RECOMMENDATIONS FOR CHANGE (1975), *reprinted in* 67 F.R.D. 195, 220 (1975) (“The additional appellate capacity for nationally binding decisions which a national court of appeals would provide can be expected to fulfill [the monitoring] function [over the complex area of patent law and policy].”).

5. Dreyfuss, *supra* note 2.

Hence the title: *The Two Federal Circuits*. The thesis here is that the most important institutional question facing the Federal Circuit is fundamentally about a choice between two approaches to implementing its special role in the patent system and thus its approach to patent law. As I describe in more detail in Part II below, I denote these two approaches as one in which the court acts as a “decider” of cases, and another in which the court acts as a “manager” of the jurisprudence. My argument in this Article is that it is the choice between these two roles—decisional and managerial—that largely defines the work of the Federal Circuit, and that many (if not all) of the jurisprudential debates in patent law can be traced to an ongoing struggle between and among the judges of the court with respect to these roles.

The balance of this very brief Article moves in three parts. In Part II, I outline the theory of the two Federal Circuits. In Part III, I offer some examples of the duality in action, noting areas in the court’s jurisprudence where it has exposed its dual nature. Finally, I conclude by offering some observations on what this split might mean for the court.

## II. THE TWO FEDERAL CIRCUITS

From the outset, the Federal Circuit has been an intriguing experiment in institutional innovation. Formed by the passage of the Federal Courts Improvement Act (FCIA) in 1982,<sup>6</sup> the Federal Circuit was established as the exclusive venue for patent appeals, whether from decisions of the U.S. district courts or the U.S. Patent and Trademark Office (USPTO). The core idea here—unifying appellate jurisdiction under a single, nationwide court—was seen as an effective, albeit untested,<sup>7</sup> response to the widespread perception that the legal infrastructure of patent law was not being effectively

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6. Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25 (codified as amended in scattered sections of 28 U.S.C.).

7. See Dreyfuss, *supra* note 2, at 3 (describing the FCIA as “a sustained experiment in specialization”). Dreyfuss has noted that even before 1982, there had been other efforts to implement specialized tribunals (even at the appellate level), such as the U.S. Court of Military Appeals, the Temporary Emergency Court of Appeals, the Foreign Intelligence Surveillance Court of Appeals, the Bankruptcy Courts, the Tax Court, the Court of International Trade, and the Claims Court (later the U.S. Court of Claims). See *id.* at 3 n.17; Charles W. Adams, *The Court of Appeals for the Federal Circuit: More Than a National Patent Court*, 49 MO. L. REV. 43, 46 n.18 (1984).

managed, whether by the USPTO<sup>8</sup> or by the regional circuit courts of appeals.<sup>9</sup> This confusion (or the perception thereof)<sup>10</sup> led to the view that patent rights were being eroded, that forum shopping was driving much patent litigation, and that the administrative agency (the USPTO) was out of sync with the courts on matters of patent law.<sup>11</sup> Further, as of 1982, the Supreme Court had not shown substantial interest in exercising a managerial role in patent law.<sup>12</sup> Thus, the reasons for the Federal Circuit's creation are widely understood: focusing (appellate) power in patent law would allow this law to be managed and developed in a unified way,<sup>13</sup> which would yield a clearer, more coherent, and more predictable legal doctrine, reduce forum shopping and related litigation, and at minimum, stabilize the patent grant.<sup>14</sup>

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8. See Dreyfuss, *supra* note 2, at 6 ("Since [the PTO] . . . was free to develop its own notions of patentability but could not impose them on other federal courts, its decisions did not command the respect of the judiciary.").

9. See *id.* at 6–7 (describing the problems with regional circuit review of patent validity); Adams, *supra* note 7, at 54–57 (noting the regional circuits' disparate standards for patentability).

10. See Cecil D. Quillen, Jr., *Innovation and the U.S. Patent System*, 1 VA. L. & BUS. REV. 207, 228 (2006) (arguing that forum shopping and outcome variability were not notable problems in the 1970s).

11. See S. REP. NO. 97-275, at 4–6 (1981), *reprinted in* 1982 U.S.C.C.A.N. 11, 14–16 (stating that the creation of a centralized court to hear suits related to patents will provide doctrinal stability in the field of patent law, which will decrease unnecessary uncertainties in the patent system and thereby increase innovation); COMM'N ON REVISION OF THE FED. COURT APPELLATE SYS., STRUCTURE AND INTERNAL PROCEDURES: RECOMMENDATIONS FOR CHANGE (1975), *reprinted in* 67 F.R.D. 195, 220 (1975) ("The additional appellate capacity for nationally binding decisions which a national court of appeals would provide can be expected to fulfill [the monitoring] function [over the complex area of patent law and policy].").

12. See Adams, *supra* note 7, at 45 ("With an increasing volume of petitions for certiorari, the Supreme Court is less able to resolve conflicts between the circuits."); Dreyfuss, *supra* note 2, at 6 ("Perhaps because of its own docket problems and its lack of expertise, the Supreme Court rarely reviewed the patent law decisions of the regional circuits."). By the mid-2000s, the Supreme Court had reasserted a role in the patent law. See, e.g., *Bilski v. Doll*, 129 S. Ct. 2735 (2009) (granting certiorari); *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398 (2007); *MedImmune, Inc. v. Genentech, Inc.*, 549 U.S. 118 (2007); *eBay Inc. v. MercExchange, L.L.C.*, 547 U.S. 388 (2006); *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.*, 535 U.S. 722 (2002).

13. See, e.g., H.R. REP. NO. 97-312, at 20–23 (1981) (detailing the Federal Circuit's primary role in increasing uniformity in patent law); see also Adams, *supra* note 7, at 62 ("[The FCIA] has enhanced uniformity in patent law by providing a central forum for deciding patent appeals . . ."); Dreyfuss, *supra* note 2, at 7 (noting that the FCIA attempted to resolve the problems of USPTO arbitrariness and divergence of law across regional circuits "by creating a single forum to hear appeals from most patent disputes").

14. See H.R. REP. NO. 97-312, at 20–23 (1981) (predicting these benefits with the advent of the new court); S. REP. NO. 97-275, at 5 (1981), *reprinted in* 1982 U.S.C.C.A.N. 11, 15 (expecting that the new court would "increase doctrinal stability" and "produce desirable uniformity" in patent law); see also Adams, *supra* note 7, at 62 (stating that, through greater uniformity in patent law, the FCIA "thus has decreased the incentive for litigants to engage in

As Dreyfuss argued in her seminal work on the Federal Circuit, there are good reasons to question whether specialized courts are likely to yield benefits.<sup>15</sup> Others, such as Professors John F. Duffy and Craig Allen Nard, have argued that the Federal Circuit suffers from isolation, and that the law would be better served by introducing additional judges into the decision-making mixture.<sup>16</sup>

This dimension of the debate about the Federal Circuit as an institution—whether specialization is helpful or harmful to the law—is both interesting and useful. But in my view, the most impactful history of the Federal Circuit so far has been less about the specialization of the court and instead about a related but distinct issue: how the court's role should be reflected in its decisions. That is, setting aside whether the experiment of the Federal Circuit has been successful or whether specialized courts more generally are a good idea, there remains the critical question about how the institution of the Federal Circuit should understand its input into patent law. Here, it is useful to consider two ways that the court might see itself: one, as a “decider”—a body tasked with determining, as much as possible, that patent cases are decided correctly—and two, as a “manager”—a steward of the law, ensuring that the jurisprudence that emerges over time does so in as clear, coherent, and predictable a manner as possible. My premise here is that it is a *choice* between these two roles, call them “decisional” and “managerial,” that largely defines the work of the court, and that many (if not all) of the jurisprudential debates in patent law can be traced to an ongoing struggle among the judges of the court with respect to these roles.

As an initial matter, the identification of these two roles prompts several points. The first is that these roles are not distinct in every case. Indeed, one can argue that the entire project of legal decision making is to align correctness of results with clarity and coherence of explanation—or policy with process. Therefore, in many cases, the approach to decision making that best manages the long-run jurisprudence will also reach the correct result, however measured.

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forum shopping”); Dreyfuss, *supra* note 2, at 7 (“According to proponents of [the FCIA], channelling patent cases into a single appellate forum would create a stable, uniform law and would eliminate forum shopping. Greater certainty and predictability would foster technological growth and industrial innovation and would facilitate business planning.” (citation omitted)).

15. Dreyfuss, *supra* note 2, at 2–3.

16. Nard & Duffy, *supra* note 2, at 1649–51.

But it is those circumstances where these roles diverge that create, I suggest, a distinct choice for the judges—and thus the conflicts in caselaw that we observe across the patent law landscape.

The second point here is that this choice between managerial and decisional roles is not unique to the Federal Circuit. It is almost certainly inherent in the nature of an appellate court to choose between versions of these roles. Appellate courts, after all, are both deciders of cases (ensuring the correctness of decisions) and managers of legal doctrine.<sup>17</sup> But I think the role distinction is especially stark and clear with respect to the Federal Circuit, primarily because of that court's role as the *de facto* sole and exclusive source of legal doctrine in patent law.<sup>18</sup> The Federal Circuit (quite by design) sits atop the patent law; this means that the choice of roles is both more important than in other appellate contexts, and that the judges of the Federal Circuit face this issue far more often than they would if they were not being forced to resolve so many patent cases.<sup>19</sup>

My third clarifying point is that I think either of these two roles is plainly defensible in the context of the Federal Circuit. That is, the unique position of the Federal Circuit in patent law does not itself answer the question of whether the court should be a decider of cases or a manager of caselaw. It is reasonable to believe that the best function of the Federal Circuit is to ensure that each patent case is decided correctly—that each infringer pays, that each invalid patent is struck down, and so forth.<sup>20</sup> But it is also reasonable to believe that the court should downplay the results in specific cases and instead work as hard as possible to articulate clear decisional rules that allow others—such as district courts, patentees, and the public—to understand and predict the outcome of cases.<sup>21</sup>

### III. MANAGERS AND DECIDERS IN ACTION

Again, to briefly recap the premise of this Article: I have suggested that the Federal Circuit operates in two roles (in the

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17. *See generally* Dreyfuss, *supra* note 2, at 6–25.

18. The Supreme Court has been somewhat more active in recent years, but the vast bulk of legal decision making in patent law is done by the Federal Circuit.

19. *See generally* Dreyfuss, *supra* note 2, at 6–25.

20. *See* Federal Courts Improvement Act of 1982, Pub. L. No. 97-164, 96 Stat. 25.

21. *See, e.g.*, H.R. REP. NO. 97-312, at 20–22 (1981); S. REP. NO. 97-275, at 5 (1981), *reprinted in* 1982 U.S.C.C.A.N. 11, 15; *see also* Dreyfuss, *supra* note 2, at 6–8.

context of patent law), the decisional role and the managerial role. The decisional role emphasizes the importance of correctly deciding the cases appealed to it—addressing questions such as whether the facts were properly understood and whether the controlling legal principle was properly applied. By contrast, in the managerial role, the court focuses on articulating decisional rules that establish a coherent body of law.

In this section, I trace this role duality in the jurisprudence of patent law, specifically noting three areas where conflicts or inconsistencies between cases have been widely noticed. Using the framework noted above, I show how the confusion in the law can be partly (if not mostly) explained by a conflict among the judges regarding the role of the court.

#### A. Claim Construction

My first example is claim construction. As Petherbridge and I (as well as many others) have documented, since the Supreme Court decision in *Markman v. Westview Instruments, Inc.*,<sup>22</sup> the Federal Circuit has wavered (or bounced) between two distinct methodological approaches.<sup>23</sup> The first, which we call “procedural,” emphasizes a more formal, strict, plain-meaning approach to claim construction.<sup>24</sup> The second, which we call “holistic,” is a more open-ended, all-encompassing approach, emphasizing the context of the claim term as a means of ascertaining meaning.<sup>25</sup> Under our findings, the court has been roughly split along this dimension since *Markman*—one reason we think the caselaw has been in some turmoil.<sup>26</sup> This is one very clear example of the two Federal Circuits in action.

A holistic approach to claim construction is a paradigmatic example of the court acting as a decision maker. Here, the legal question at hand—what a person of ordinary skill in the art would understand the relevant claim term to mean—is a wholly contextual exercise, to be accomplished in different ways in each case,

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22. 517 U.S. 370 (1996).

23. Wagner & Petherbridge, *supra* note 2, at 1111.

24. *Id.* at 1133–34.

25. *Id.* at 1134.

26. *Id.* at 1148; see also R. Polk Wagner & Lee Petherbridge, Did *Phillips* Change Anything? Empirical Analysis of the Federal Circuit’s Claim Construction Jurisprudence 14 (2010) (unpublished manuscript, on file with author).



depending on the facts and circumstances involved.<sup>27</sup> In some cases, a holistic approach will require reference to customary uses of language; in others it will not.<sup>28</sup> Expert testimony may be considered to bear upon the question.<sup>29</sup> Or it may not. Perhaps the prosecution history, or related patents, can shed light on the matter.<sup>30</sup> Or not. Maybe the operative limitations found by the court will appear in the claim itself;<sup>31</sup> in other cases, they may be inferred from the description of the invention found in the specification.<sup>32</sup> In short, the holistic approach to claim construction is an open search for the truth, defined for the purposes of that specific patented invention and dispute.<sup>33</sup> In other words, it is a highly decisional exercise, where caselaw matters less than the result.

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27. See *Wagner & Petherbridge*, *supra* note 2, at 1130–36. In *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005), the Federal Circuit noted,

[T]here is no magic formula or catechism for conducting claim construction. Nor is the court barred from considering any particular sources or required to analyze sources in any specific sequence, as long as those sources are not used to contradict claim meaning that is unambiguous in light of the intrinsic evidence. . . . The sequence of steps used by the judge in consulting various sources is not important; what matters is for the court to attach the appropriate weight to be assigned to those sources in light of the statutes and policies that inform patent law. In [prior caselaw], we did not attempt to provide a rigid algorithm for claim construction, but simply attempted to explain why, in general, certain types of evidence are more valuable than others.

*Id.* at 1324 (citations omitted).

28. See *Rexnord Corp. v. Laitram Corp.*, 274 F.3d 1336, 1344 (Fed. Cir. 2001); *Renishaw PLC v. Marposs Societa' per Azioni*, 158 F.3d 1243, 1250 (Fed. Cir. 1998).

29. See, e.g., *Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 980–81 (Fed. Cir. 1995) (citing *Seymour v. Osborne*, 78 U.S. (11 Wall.) 516, 546 (1871)); see also *Vitronics Corp. v. Conceptoronic, Inc.*, 90 F.3d 1576, 1583 (Fed. Cir. 1996).

30. See *Inverness Med. v. Warner Lambert Co.*, 309 F.3d 1373, 1380–82 (Fed. Cir. 2002) (ambiguity of the prosecution history made it less relevant to claim construction); *Athletic Alternatives, Inc. v. Prince Mfg.*, 73 F.3d 1573, 1580 (Fed. Cir. 1996) (ambiguity of the prosecution history made it “unhelpful as an interpretive resource” for claim construction); *Lemelson v. Gen. Mills, Inc.*, 968 F.2d 1202, 1206 (Fed. Cir. 1992).

31. See *Phillips*, 415 F.3d at 1314.

32. See *id.* at 1315; *Metabolite Labs., Inc. v. Lab. Corp. of Am. Holdings*, 370 F.3d 1354, 1360 (Fed. Cir. 2004) (“In most cases, the best source for discerning the proper context of claim terms is the patent specification wherein the patent applicant describes the invention.”); *Multiform Desiccants, Inc. v. Medzam, Ltd.*, 133 F.3d 1473, 1478 (Fed. Cir. 1998); see also, e.g., *Kinik Co. v. Int'l Trade Comm'n*, 362 F.3d 1359, 1365 (Fed. Cir. 2004) (“The words of patent claims have the meaning and scope with which they are used in the specification and the prosecution history.”); *Moba, B.V. v. Diamond Automation, Inc.*, 325 F.3d 1306, 1315 (Fed. Cir. 2003) (“[T]he best indicator of claim meaning is its usage in context as understood by one of skill in the art at the time of invention.”).

33. In *Phillips*, the court explained that

there is no magic formula or catechism for conducting claim construction. Nor is the court barred from considering any particular sources or required to analyze sources in any specific sequence, as long as those sources are not used to contradict claim

By contrast, the procedural approach to claim construction is an example of the court acting as a manager of the caselaw—trying to craft a legal doctrine that enables claim construction rules to be discerned and applied across a large range of cases.<sup>34</sup> Here, the results are less important than, for example, clarifying when a claim term can be understood by reference to the specification and when it cannot, or clarifying where the ordinary meaning of a claim can be found.

One response to my argument here, of course, is that the Federal Circuit recognized and responded to this in 2005 in *Phillips v. AWH Corp.*, in which it purported to eliminate the confusion in the caselaw I noted above.<sup>35</sup> But in fact this is not the case. As Petherbridge and I have found in follow-up work, the methodological split in claim construction in the Federal Circuit has not changed in any meaningful way.<sup>36</sup> Why this is the case turns out to be relatively clear from a reading of the *Phillips* opinion, which is a masterful example of contradictory rules hedged by multiple disclaimers that the rules do not really matter.<sup>37</sup> In short, the *Phillips* case has not joined the two Federal Circuits; it has enabled them—judges can find language in *Phillips* to support a claim construction decision in either a decisional or a managerial role.<sup>38</sup>

### B. The Doctrine of Equivalents

A second example of the Federal Circuit's role duality is the court's jurisprudence on the doctrine of equivalents (DOE). The DOE is a form of analysis that allows, in some cases, the scope of the patent grant to expand beyond the patent claims themselves—to encompass "equivalents" to the subject matter described in the

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meaning that is unambiguous in light of the intrinsic evidence. . . . The sequence of steps used by the judge in consulting various sources is not important; what matters is for the court to attach the appropriate weight to be assigned to those sources in light of the statutes and policies that inform patent law.

415 F.3d at 1324 (citations omitted).

34. See Wagner & Petherbridge, *supra* note 2, at 1133–34; see also *Neomagic Corp. v. Trident Microsystems Inc.*, 287 F.3d 1062 (Fed. Cir. 2002); *CCS Fitness, Inc. v. Brunswick Corp.*, 288 F.3d 1359 (Fed. Cir. 2002); *Johnson Worldwide Assocs. v. Zebco Corp.*, 175 F.3d 985 (Fed. Cir. 1999).

35. 415 F.3d 1303, 1312–19 (Fed. Cir. 2005).

36. See Wagner & Petherbridge, *supra* note 26, at 15–17.

37. See *id.* at 21–22.

38. See *id.*

claims. The Supreme Court (the creator and nurturer of the DOE) has typically described the doctrine as necessary to the functioning of the patent system:

[C]ourts have . . . recognized that to permit imitation of a patented invention which does not copy every literal detail would be to convert the protection of the patent grant into a hollow and useless thing. Such a limitation would leave room for—indeed encourage—the unscrupulous copyist to make unimportant and insubstantial changes and substitutions in the patent which, though adding nothing, would be enough to take the copied matter outside the claim, and hence outside the reach of law. One who seeks to pirate an invention, like one who seeks to pirate a copyrighted book or play, may be expected to introduce minor variations to conceal and shelter the piracy. Outright and forthright duplication is a dull and very rare type of infringement. To prohibit no other would place the inventor at the mercy of verbalism and would be subordinating substance to form. It would deprive him of the benefit of his invention and would foster concealment rather than disclosure of inventions, which is one of the primary purposes of the patent system.<sup>39</sup>

The DOE, as any student of patent law can tell you, has been a controversial element in patent law.<sup>40</sup> Within the Federal Circuit, the

39. *Graver Tank & Mfg. Co. v. Linde Air Prods. Co.*, 339 U.S. 605, 607 (1950).

40. As might be imagined, there have been dissenters throughout—as exemplified by Judge Learned Hand, writing in 1929:

It is plain that [the DOE] violates in theory the underlying and necessary principle that the disclosure is open to the public save as the claim forbids, and that it is the claim and that alone which measures the monopoly.

. . . .

On the one hand, therefore, the claim is not to be taken at its face—however freely construed—but its elements may be treated as examples of a class which may be extended more or less broadly as the disclosure warrants, the prior art permits, and the originality of the discovery makes desirable. On the other, it is not to be ignored as a guide in ascertaining those elements of the disclosure which constitute the “invention,” and without which there could be no patent at all. It is obviously impossible to set any theoretic limits to such a doctrine, which indeed its origin forbids, since it is in misericordiam to relieve those who have failed to express their complete meaning. Somewhat the same process is indeed inherent in the interpretation of any verbal expression, and perhaps the best that can be said is that in the case of patent claims much greater liberties are taken than would be allowed elsewhere. Each case is inevitably a matter of degree, as so often happens, and other decisions have little or no value. The usual ritual, which is so often repeated and which has so little meaning, that

DOE became a flash point of controversy in the late 1990s, when the court wrestled with the related doctrine of “prosecution history estoppel” (PHE). Indeed, when the Supreme Court reaffirmed the vitality of the DOE in the face of substantial challenge in the 1995 case *Warner-Jenkinson Co. v. Hilton Davis Chemical Co.*,<sup>41</sup> it noted its “concern . . . that the doctrine of equivalents . . . has taken on a life of its own, unbounded by the patent claims. There can be no denying that the doctrine of equivalents, when applied broadly, conflicts with the definitional and public-notice functions of the statutory claiming requirement.”<sup>42</sup>

Accordingly, in *Warner-Jenkinson*, the Supreme Court noted that several legal limitations on the DOE—most relevantly for our purposes here, the doctrine of PHE—were to be used as a way to limit the concerns noted above.<sup>43</sup> This in turn shifted the jurisprudential debate to the doctrine of PHE, which revealed the dueling roles of the Federal Circuit.

In general terms, the doctrine of PHE states that a patentee may not recapture (via the DOE) subject matter that was surrendered during patent prosecution. The basic idea here is relatively straightforward: if patent documents are to provide public notice of claims to subject matter, then a clear surrender of subject matter should define unclaimed territory not subject to later claims of equivalence. In fact, as I have argued elsewhere, the doctrine of PHE has a much more significant role in the operation of the patent system, but these details are unnecessary for purposes here. The key legal analysis with respect to the doctrine of PHE is how much the patentee has “surrendered” during prosecution (usually by amending her claim). To illustrate, consider a patentee who claims “colored lights” as a claim element. The patent examiner rejects the claim on the basis that red lights exist in the prior art; thus, the claim to “colored lights” violates 35 U.S.C. § 102’s novelty requirement. So

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the same result must follow by substantially the same means, does not help much in application; it is no more than a way of stating the problem. Any decision is therefore bound to have an arbitrary color, as in all close cases of interpretation, and it is difficult to give it greater authority than an appeal to the sympathetic understanding of an impartial reader.

Claude Neon Lights, Inc. v. E. Machlett & Son, 36 F.2d 574, 575–76 (2d Cir. 1929) (citations omitted).

41. 520 U.S. 17 (1997).

42. *Id.* at 28–29.

43. *Id.* at 33–34.

the patentee amends the element to claim “blue lights,” and the patent issues.<sup>44</sup> What has the patentee surrendered, thereby prohibiting access to the DOE? Certainly the patentee cannot claim that all colored lights fall within equivalents of the “blue light” claim element, and red lights are clearly not available as equivalents. But what about green lights? This is the difficult legal question for the doctrine of PHE.

The traditional approach (pre-*Warner-Jenkinson*) to the doctrine of PHE was as a “totality of the circumstances” test, which ordered courts to determine whether, under the specific facts of the prosecution, a patent surrender had occurred.<sup>45</sup> This is plainly the Federal Circuit operating as a decider: indeed, the circumstances justifying (or not) the application of the doctrine of PHE (and hence whether the DOE and thus infringement of the patent might lie) were questions reviewed de novo on appeal.<sup>46</sup>

In 2000, however, the Federal Circuit changed its role with respect to the doctrine of PHE. In *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co. (Festo VI)*,<sup>47</sup> an en banc Federal Circuit reversed itself, holding that a substantive claim amendment would result in the DOE being unavailable for the amended element.<sup>48</sup> The reasoning the court used was explicitly managerial in nature:

We believe that the current state of the law regarding the scope of equivalents that is available when prosecution history estoppel applies is “unworkable.” In patent law, we think that rules qualify as “workable” when they can be relied upon to produce consistent results and give rise to a body of law that provides guidance to the marketplace on how to conduct its affairs. After our long experience with the flexible bar approach, we conclude that its “workability” is flawed.<sup>49</sup>

This change was met with several vigorous dissents at the Federal Circuit, and was ultimately reversed by the Supreme Court,

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44. Set aside questions related to whether the blue lights are obvious under 35 U.S.C. § 103 in view of the red lights.

45. See, e.g., *Litton Sys., Inc. v. Honeywell, Inc.*, 140 F.3d 1449, 1462 (Fed. Cir. 1998) (stating the rule before *Festo Corp. v. Shoketsu Kinzoku Kogyo Kabushiki Co.* relating to PHE).

46. See *Warner-Jenkinson*, 520 U.S. at 39 n.8.

47. 234 F.3d 558 (Fed. Cir. 2000).

48. *Id.* at 575.

49. *Id.*

which implemented its own framework that falls somewhere between the pre-*Festo VI* and *Festo VI* approaches. The point here, however, is that one of the most substantial shifts in patent law doctrine in the past two decades was prompted primarily (even mostly) by a reconceptualization of the court's role in this area, from decider to manager.

### C. The Written Description Requirement

Finally, I note briefly that a current issue before an en banc Federal Circuit—the “written description” (WD) requirement of 35 U.S.C. § 112—can also be understood as a struggle over the proper role of the court.

The first paragraph of § 112 provides that the “specification shall contain a written description of the invention.”<sup>50</sup> In traditional usage, the WD requirement was thought to do little more than enforce the filing date requirements: by requiring a patentee to point to a “written description” to take advantage of an earlier filing date, the WD requirement helped ensure that the applicant's claimed invention was entitled to a particular priority date (date of invention) and “prevent[ed] an applicant from later asserting that he invented that which he did not.”<sup>51</sup>

This fairly limited role for the WD requirement has been dramatically expanded by a series of cases interpreting the doctrine as a freestanding disclosure requirement, above and beyond the enablement requirement of § 112.<sup>52</sup> This expansion has been met with resistance by several members of the Federal Circuit,<sup>53</sup> culminating in the court taking the question en banc.<sup>54</sup>

Although these cases do not as clearly state the role distinction of the two prior examples, one can still discern the thread of the

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50. 35 U.S.C. § 112 (2006).

51. *Amgen, Inc. v. Hoechst Marion Roussel, Inc.*, 314 F.3d 1313, 1330 (Fed. Cir. 2003); *see also Vas-Cath Inc. v. Mahurkar*, 935 F.2d 1555, 1560 (Fed. Cir. 1991) (“The cases indicate that the ‘written description’ requirement most often comes into play where claims not presented in the application when filed are presented thereafter.”).

52. *See, e.g., Ariad Pharm., Inc. v. Eli Lilly & Co.*, 560 F.3d 1366, 1371 (Fed. Cir. 2009); *Univ. of Rochester v. G.D. Searle & Co.*, 358 F.3d 916, 922 (Fed. Cir. 2004); *Enzo Biochem, Inc. v. Gen-Probe Inc.*, 323 F.3d 956, 970 (Fed. Cir. 2002).

53. *See, e.g., Ariad*, 560 F.3d at 1380 (Linn, J., concurring) (expressing disagreement with the majority's imposition of a separate WD requirement on § 112); *Enzo*, 323 F.3d at 976 (Rader, J., dissenting from denial of en banc motion).

54. *See Ariad Pharm., Inc. v. Eli Lilly & Co.*, 332 Fed. App'x 636 (Fed. Cir. 2009).

decisional role versus the managerial role in the debate over the WD requirement. Importantly, the expanded version of the WD requirement (set forth in *Enzo*, *Rochester*, and *Ariad*) contains very little legal framework to direct courts concerning the analysis. The articulated test merely states that the applicant must “convey with reasonable clarity to those skilled in the art that, as of the filing date sought, he or she was in possession of the invention” and that “what is adequate [disclosure] depends upon the context of the claimed invention.”<sup>55</sup> This sort of open-ended, factually specific analysis is a hallmark of a decisional approach to the court’s role in the law. Further, much of the opposition to the expanded WD requirement adopts a managerial approach, arguing that

[t]he court’s invention of a separate written description requirement has created confusion as to where the public and the courts should look to determine the scope of the patentee’s right to exclude, causing uncertainty in how inventions are protected, in how the Patent & Trademark Office discharges its responsibilities, and in how business is conducted in emerging fields of law.<sup>56</sup>

Thus, the current debate over the WD requirement fits neatly within what I have suggested is the larger (and less visible) struggle at the Federal Circuit—that over its role atop the patent law.

#### IV. CONCLUSION

As I argued at the beginning of this Article, any serious analysis of the Federal Circuit’s role in the patent system (and thus the institutional design of the nation’s innovation policy) should understand not only what the Federal Circuit does but also what it is. By that I mean that a full accounting of the Federal Circuit’s performance must look beyond the various debates and uncertainties in patent law and include an understanding of the Federal Circuit as an institution.

I have argued that the Federal Circuit is an institution struggling with its role in the patent system. Is it to be the ultimate arbiter of patent cases, ensuring that the complexities of Title 35 are appropriately implemented in any given dispute? Or, instead, should

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55. *Ariad*, 560 F.3d at 1371–72.

56. *Id.* at 1381 (Linn, J., dissenting) (citations and quotations marks omitted).

it focus on building and developing a rich doctrine of patent law, enabling all stakeholders to better utilize the patent system? As I have shown above, these two roles (decisional and managerial) are often in tension—and play out (unmentioned) in many of the major contemporary jurisprudential disputes.

What, then, is the “right” role for the Federal Circuit? The real answer is almost certainly twofold. First, it must be a hybrid of the two roles, for the court cannot function without either. Second, it is likely that the court’s role will (and should) change over time. My own view is that as the patent system grows in scale and complexity, the need for clear, coherent, and predictable decisional rules increases—and argues more strongly in favor of the managerial role. But the opposite may well be the case: as patents matter more in the marketplace, the correct and efficient resolution of disputes becomes more important, so the court’s role as a decider remains critical.

In any event, it seems clear that without fully understanding (and addressing) the role duality I have explored here, our analysis of the Federal Circuit as an institution will be incomplete.